

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Defendant.

Adv. Pro. No. 08-1789 (BRL)

SIPA Liquidation

(Substantively Consolidated)

In re:

BERNARD L. MADOFF,

Debtor.

**APPLICATION OF SCHIFFERLI VAFADAR SIVILOTTI AS SPECIAL
COUNSEL TO THE TRUSTEE FOR ALLOWANCE OF INTERIM
COMPENSATION FOR SERVICES RENDERED FROM
MAY 1, 2009 THROUGH SEPTEMBER 30, 2009**

Schifferli Vafadar Sivilotti (“SVS”), special counsel to Irving H. Picard (the “Trustee”), Trustee for the liquidation of the business of Bernard L. Madoff Investment Securities LLC (“BLMIS”) and Bernard L. Madoff (“Madoff”) under the Securities Investor Protection Act of 1970, 15 U.S.C. §§ 78aaa et seq. (“SIPA”), submits this Application for Interim Allowance of Fees (the “Application”) for compensation of legal fees in the amount of \$17,410.00 (of which 20% is to be deferred through the conclusion of the liquidation period) for the period from May 1, 2009 through September 30, 2009 (the “Compensation Period”). In support of the Application, SVS respectfully submits as follows:

I. BACKGROUND

1. On December 15, 2008, Judge Stanton of the United States District Court for the Southern District of New York, upon application filed on the same date by the Securities Investor Protection Corporation (“SIPC”), entered an order (the “Decree Order”) calling for the liquidation of the business of the Debtor in accordance with SIPA and by Paragraph II of the Decree Order, the Trustee was appointed as the trustee for the liquidation of the Debtor's business.

2. The Debtor's liquidation proceeding was removed to this Court pursuant to SIPA § 78eee(b)(4), and, to the extent consistent with the provisions of SIPA, is being conducted as though it were a case under chapters 1, 3, and 5 and subchapters I and II of chapter 7 of title 11 of the United States Code (the “Bankruptcy Code”) pursuant to SIPA § 78fff(b).

3. SVS was retained to served as special counsel to the Trustee on May 28, 2009.

4. On June 15, 2009, this Court entered an order approving the Trustee's motion for authority to retain SVS as special counsel to the Trustee in matters pertaining to Swiss law.

5. The Trustee's motion to retain SVS established a fee arrangement pursuant to which SVS agreed to a fee reduction in the amount of 10%. SVS also agreed to an additional holdback of fees in the amount of 20%.

II. SERVICES RENDERED BY SVS

6. Throughout the Compensation Period, SVS has provided advice on issues of Swiss law. The legal services performed on behalf of the Trustee during the time period covered by this Application are as follows:

7. SVS was retained by the Trustee and its counsel, Baker & Hostetler LLP (“B&H”) and asked to prepare a detailed legal analysis on the applicable provisions of Swiss private international law and Swiss international debt collection and bankruptcy law in connection with the Trustee’s investigation of several Switzerland-based entities. SVS also provided legal advice

and recommendations in connection with the Trustee's evaluation of potential causes of action against such entities.

8. In addition, SVS was asked to evaluate the possibility of recovery and reimbursement from entities organized in Switzerland in favor of the bankruptcy estate. These included questions on the possible recognition and enforcement of US Bankruptcy Court orders in Switzerland, the possibility of filing a lawsuit against certain entities in Switzerland under Swiss international bankruptcy law and other potential legal remedies and causes of action available to the Trustee.

III. COMPENSATION REQUESTED

9. SVS's Application demonstrates how SVS has both added value to the Debtor's estate and has advanced the Debtor's SIPC liquidation proceeding.

10. SVS has been mindful of the need to avoid undue legal fees in this case and has taken all reasonable steps to provide cost-effective representation while rendering services with the highest degree of skill and professionalism. To that end, SVS has staffed this matter leanly and has endeavored to eliminate duplication of effort by giving primary responsibility of the case to Pierre Schifferli and involving other attorneys only when necessary.

11. From May 28, 2009 through July 28, 2009, SVS provided a total of 45.3 hours of legal services to the Trustee in this case. Prior to the 10% discount, the total amount of fees incurred in this time period was \$19,344.44 and the total blended hourly rate for professional services was \$427.03. After the 10% discount, the total amount of fees incurred is \$17,410.00 and the total blended hourly rate is \$384.33. SVS has agreed to a further 20% holdback of fees in the amount of \$3,482.00 resulting in the present request for compensation in the amount of \$13,928.00.

12. A breakdown of the total number of hours performed by each SVS timekeeper is provided on **Exhibit A** annexed hereto.

IV. GENERAL MATTERS

13. All of the professional services for which compensation is requested herein were performed by SVS for and on behalf of the Trustee and not on behalf of any other person or entity.

14. No agreement or understanding exists between SVS and any other person for sharing compensation received in connection with this case nor has any other person or entity agreed to provide SVS with compensation for the legal services described herein.

15. This Court is authorized by SIPA to award to the attorneys for a SIPA Trustee “reasonable compensation for services rendered and reimbursement for proper costs and expenses incurred.” SIPA § 78eee(b)(5)(A). SIPA also permits interim allowances to the attorneys for a SIPA Trustee. Id.

16. Pursuant to § 78eee(b)(5)(E) of SIPA, allowances granted by this Court are to be charged against the general estate as a cost of administration. If the general estate is insufficient to pay such allowances in whole, or in part, SIPC shall advance any necessary funds for such payment. SIPA § 78eee(b)(5)(E). Section 78eee(b)(5)(C) of SIPA provides that SIPC shall file a recommendation with regard to the allowance of fees and reimbursement of expenses requested by this Application, and that this Court shall place considerable reliance on the recommendation of SIPC. SIPA § 78eee(b)(5)(C). SVS expects that SIPC's recommendation shall be filed with this Court separately.

WHEREFORE, SVS respectfully requests that this Court enter an Order:

- a. Granting this Application;
- b. Allowing payment to SVS for interim compensation of legal fees, after (a) a reduction of 10% (in the amount of \$1,934.44) and (b) a holdback of 20% (in the amount of \$3,482.00) pending final approval of SVS's fees in this case, in the aggregate amount of

\$13,928.00 for professional services rendered to the Trustee from May 28, 2009 through July 28, 2009; and

c. Granting SVS such other and further relief as this Court deems just and proper.

Dated: November 23, 2009

Respectfully submitted,

SCHIFFERLI VAFADAR SIVILOTTI

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EXHIBIT A

SUMMARY OF FIRST INTERIM FEE APPLICATION
OF SCHIFFERLI VAFADAR SIVILOTTI FOR SERVICES RENDERED
FOR THE PERIOD MAY 1, 2009 THROUGH SEPTEMBER 30, 2009

	YEAR ADMITTED	HOURLY RATE	TOTAL HOURS BILLED	TOTAL COMPENSATION
Pierre Schifferli	1975	\$500.00	30.1	\$15,050.00
Reza Vafadar	1997	\$500.00	3.3	\$1,650.00
Laila Rochat	Trainee	\$222.22	7	\$1,555.55
Gregory Lachat	Trainee	\$222.22	4.8	\$1,066.67
Philippe Angelozzi	Trainee	\$222.22	.1	\$22.22
Total:			45.3	\$19,344.44
Total minus 10% Discount		\$384.33		\$17,410.00
Total Net of 20% Holdback:				\$13,928.00